Domestics steady; imports set record

May new-car sales highest since 1978

By Jenny L. King
Detroit Reporter

New-car retail sales in May were the highest since the boom year of 1978, with domestics just matching the year-ago number and imports marching ahead 7.72 percent and notching a sales record for the month.

Imports accounted for 24.52 percent of the market, up more than a percentage point from the 23.26 percent they earned in May of 1984. Import sales have been up in four of the five months thus far in the 1985 calendar year.

The grand total of 1,069,934 was up 2.21 percent from May's 1,046,805 a year earlier and best since 1978 when 1,159,185 new cars were delivered.

The total included 807,590 domestics, up 0.54 percent from 803,273 the preceding year, and 262,344 imports, up 7.72 percent from 243,532 in May, 1984.

The previous import sales high for the month was 255,495 in the pre-restrictions year of 1979. Deep

Where auto market was, May, 1985

	Total Sales	Pct. of Total
SUBCOMPACT	151,256	14.14
COMPACT	171,743	16.05
INTERMEDIATE	311,415	29.11
STANDARD	94,945	8.87
LUXURY	78,231	7.31
IMPORTS	262,344	24.52
TOTAL	1,069,934	100.00

est import market penetration for May was 28.58 percent in 1981.

Industry year-to-date sales of 4,705,146 were up 3.97 percent from 4,525,509 in 1984. Domestics for the five months numbered 3,637,733, up 3.38 percent from 3,518,700. January-May import sales were up 6.02 percent, to 1,067,413 from 1,006,809.

Buoyed by a strong mid-month period, when sales were up 18 percent, the U.S. auto makers made the best of limp first and third periods to accumulate a sales total of 807,590. (May 1-10 sales were down 8.61 percent, May 21-31 sales were down 4.79 percent.)

Ford Motor Co.'s 9.29-percent sales increase was the best of the Big Three. Chrysler Corp. was up 3.27 percent and General Motors dropped 2.86 percent year to year.

Ford dealers reported sales of 194,547 new domestic cars in May compared with 178,006 a year earlier. Chrysler was up 3.27 percent, to 97,981 from 94,880. GM slipped some 14,000 units, down 2.86 percent to 479,554 from 493,670.

Honda, well-established as the number-four auto maker in terms of sales, was up 22.08 percent in May, to 15,096 from 12,366. American Motors was off 33.49 percent, to 10,063 from 15,131.

Volkswagen's sales of 8,088 U.S.-built Golfs were down 12.28 percent from 9,220 Rabbits a year ago. Nissan reported second-month sales of 2,261 as its Smyrna (Tenn.) car lines picked up speed.

Ford, whose Ford Division boasted highest any-month sales for Escort, climbed almost two percentage points in domestic market penetration, to 24.09 percent from 22.16 percent. Chrysler moved up to 12.13 percent from 11.81 percent. Honda was up to 1.87 percent from 1.15 percent.

GM dipped down to 59.38 percent from 61.46 percent. AMC held a modest 1.25-percent share of the May domestic market, down from 1.88 percent. VW had 1.00

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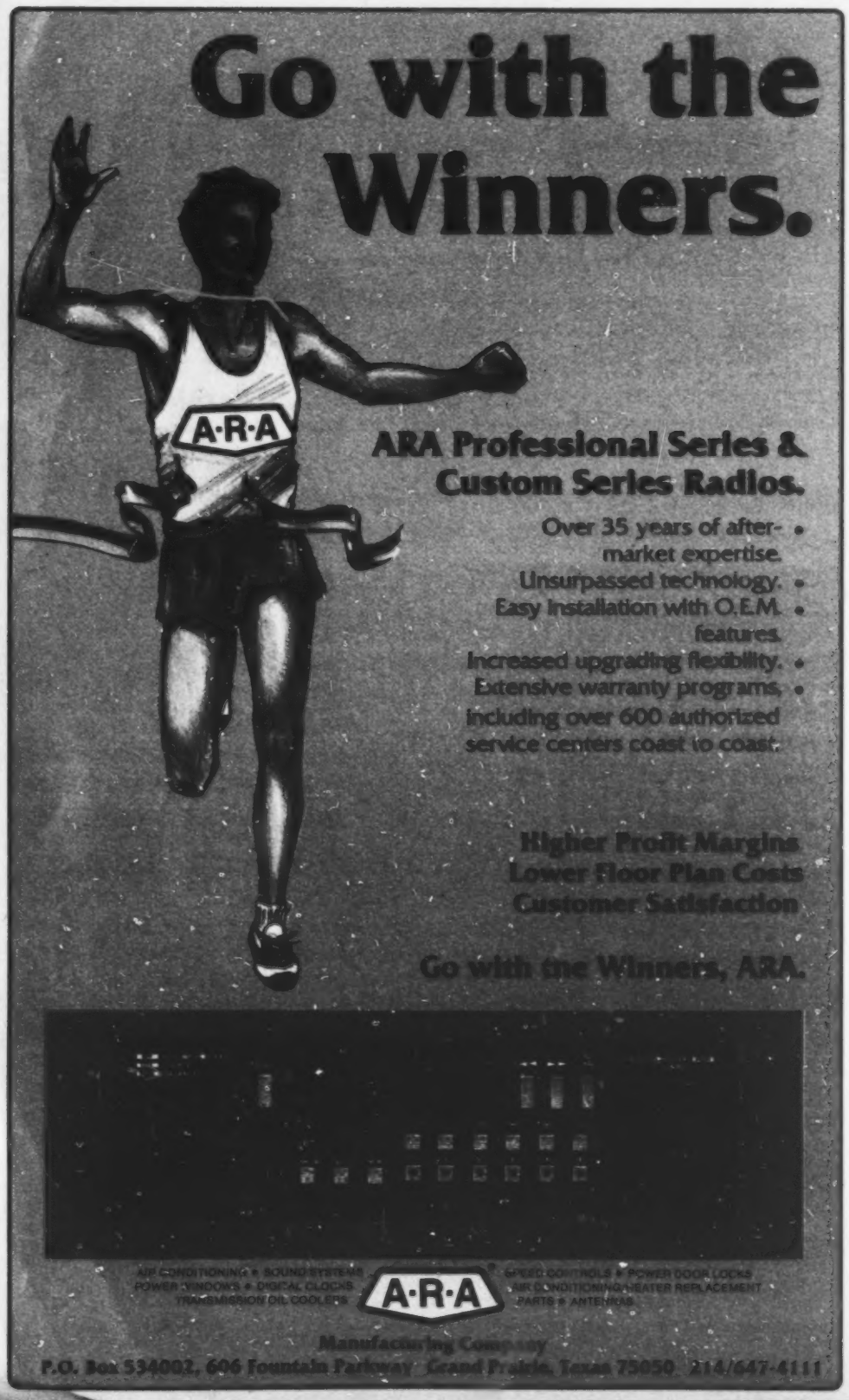
DOMESTIC CAR SALES

	May 21 to May 31, 1985	Same Period, 1984	May, 1985	Same Month, 1984	May 21 to May 31, 1985	Same Period, 1984
Alliance	0	0	5,496	7,960	29,507	41,629
Encore	0	0	3,805	5,269	18,891	28,695
Total Renault	0	0	9,303	13,229	48,406	70,324
Eagle	0	0	760	1,801	4,958	9,232
Total AMC	0	0	760	1,801	4,958	9,232
AMERICAN MOTORS*	4,113	6,631	10,063	15,131	53,364	79,556
Horizon	2,225	2,886	5,951	6,832	44,431	34,532
Turismo	1,617	2,101	4,170	4,639	27,721	20,011
Reliant	3,448	6,856	9,727	15,635	62,277	67,559
Caravelle	1,179	0	3,158	0	16,323	0
Plymouth	744	961	2,149	2,122	9,505	7,106
Total Plymouth	9,213	12,804	25,155	29,228	160,257	129,208
Laser	1,243	2,642	3,685	5,533	26,209	23,649
LeBaron K	3,438	4,347	9,017	9,861	39,403	41,954
LeBaron GTS	3,356	0	8,819	0	24,593	0
Cordoba	0	0	0	0	0	0
Fifth Avenue	3,650	2,816	9,022	6,794	39,663	31,175
E-Class	0	1,263	0	3,026	0	14,022
New Yorker	1,944	1,881	5,094	4,559	23,412	22,220
Total Chrysler	13,631	12,949	35,637	29,773	153,280	133,144
Omni	2,220	2,491	5,661	5,899	37,467	29,311
Charger	1,763	2,047	4,564	4,959	30,004	22,842
Daytona	1,317	1,991	3,595	4,339	24,121	19,866
Aries	3,128	5,076	8,145	11,669	49,741	50,836
Lancer	2,316	0	5,878	0	17,289	0
Dodge 400-600	0	1,126	0	2,482	0	9,209
Diplomat	1,431	1,076	3,941	2,750	16,630	9,209
Mirada	0	0	0	0	0	0
Dodge 600	2,100	1,516	5,405	3,781	24,964	15,874
Total Dodge	14,275	15,323	37,189	35,879	200,216	158,521
CHRYSLER CORP.	37,119	41,076	97,981	94,880	513,753	420,873
EXP	701	1,209	2,061	2,858	13,052	11,585
Escort	23,980	13,330	54,413	31,953	166,973	147,092
Mustang	5,938	5,187	14,277	12,529	69,822	57,016
Tempo	7,175	9,086	17,349	20,142	139,650	104,677
Thunderbird	6,016	5,532	15,770	13,152	68,050	68,079
LTD	6,504	7,143	18,411	18,702	86,323	85,756
Crown Victoria	5,272	6,353	14,040	16,141	69,049	71,983
Total Ford Division	55,586	47,840	136,321	115,477	612,919	546,188
Lynx	4,629	2,501	10,399	6,104	33,758	28,399
Topaz	1,823	2,389	4,199	6,134	37,958	30,844
Cougar	4,665	4,269	11,564	10,374	51,970	49,793
Capri	407	628	1,218	1,623	6,764	8,502
Marquis	3,282	3,923	8,130	10,010	40,744	43,619
Grand Marquis	4,079	5,202	10,680	13,769	56,727	60,536
Total Mercury	18,885	18,912	46,190	48,014	227,921	221,693
Continental	667	1,750	1,757	3,044	13,084	10,360
Lincoln	3,157	3,236	9,014	8,455	45,681	35,265
Mark VII	530	1,242	1,265	3,016	8,192	16,484
Total Lincoln	4,354	6,228	12,036	14,515	66,957	62,109
Total L-M Division	23,239	25,140	58,226	62,529	294,878	283,802
FORD MOTOR	78,825	72,980	194,547	178,006	907,797	829,990
Skyhawk	3,053	6,633	6,379	14,976	41,286	52,550
Skylark	1,857	4,842	6,098	10,845	45,794	45,832
Somerset Regal	6,875	0	16,785	0	48,778	0
Century	11,198	9,492	22,462	21,150	93,139	94,650
Regal	4,648	7,913	10,263	19,836	44,952	88,686
LeSabre	5,366	6,240	12,601	14,813	63,874	69,869
Electra	2,888	4,754	6,702	9,991	29,734	38,231
Riviera	2,046	2,110	4,464	4,805	22,031	23,759
Total Buick	37,931	41,984	85,754	96,416	389,588	413,577
Cimarron	597	641	1,655	1,621	9,930	7,796
Seville	2,022	1,356	4,651	3,518	14,237	14,707
Cadillac	5,740	7,458	15,082	18,391	70,303	83,621
Eldorado	3,876	2,570	9,484	6,476	29,826	29,281
Total Cadillac	12,235	12,025	30,872	30,006	124,296	136,305
Nova	1	0	1	0	1	0
Chevette	3,206	7,986	10,151	18,514	53,943	83,870
Cavalier	16,943	17,991	46,764	41,627	206,973	161,479
Citation	1,195	4,713	5,405	10,182	31,486	46,680
Camaro	6,858	10,057	20,864	23,210	90,196	89,986
Celebrity	11,971	16,614	37,184	36,265	147,842	147,924
Monte Carlo	3,584	5,751	11,859	13,814	50,907	68,626
Chevrolet	8,574	13,162	25,553	29,495	110,242	115,913
Corvette	1,311	1,109	3,876	2,600	17,262	12,644
Total Chevrolet	53,616	77,366	161,658	177,707	708,853	722,221
Firenza	1,389	2,455	3,569	6,528	26,761	26,261
Omega	0	1,840	0	5,137	0	20,855
Calais	8,503	0	22,537	0	60,941	0
Cutlass Ciera	12,451	10,186	33,186	28,335	143,148	116,746
Cutlass Supreme	7,460	12,162	21,315	34,348	94,545	165,189
Olds 88	6,939	10,356	19,211	27,967	90,797	120,316
Olds 98	3,614	2,778	9,971	7,308	45,463	40,513
Toronado	1,059	1,427	2,943	3,841	15,175	17,288
Total Oldsmobile	41,415	41,204	112,732	113,465	476,830	507,148
Fiero	4,440	3,587	9,199	9,954	46,438	48,639
1000	1,108	1,176	2,658	2,592	10,160	11,886
Sunbird	6,613	6,893	14,890	14,984	56,800	54,281
Phoenix	0	968	0	1,789	896	6,616
Firebird	5,794	5,109	12,930	11,900	47,621	46,900
Grand Am	5,974	00	12,807	0	49,510	0
6000	8,750	6,045	17,755	13,910	66,513	58,728
Bonneville	2,899	3,050	5,711	7,161	23,694	32,561
Grand Prix	2,722	3,608	5,818	8,393	24,899	35,384
Parisienne	3,420	2,299	6,770	5,393	26,678	23,383
Total Pontiac	41,720	32,735	88,538	76,076	355,209	318,378
GENERAL MOTORS	186,917	205,314	479,554	493,670	2,054,776	2,097,629
VOLKSWAGEN	4,332	5,537	8,088	9,220	33,861	37,302
HONDA	9,282	6,698	15,096	12,366	70,910	53,623
DOMESTIC TOTAL	322,049	338,236	807,590	803,273	3,637,733	3,518,700
IMPORT TOTAL	0	0	262,344	243,532	1,067,413	1,006,809
INDUSTRY TOTAL	0	0	1,069,934	1,046,805	4,705,146	4,525,509

*AMC does not provide 10-day nameplate sales.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factories list auction dates

American Motors

June 11—Arena Auto Auction, Chicago, and D-A Auto Auction, New Stanton, Pa.

June 12—Columbus Fair Auto Auction, Obetz, O., and Central States Auto Auction, Mason City, Ia.

June 13—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

June 18—Aptco Auto Auction, Taylor, Mich.

June 19—Metro Milwaukee Auto Auction, Caledonia, Wis; Kansas City Auto Auction, Kansas City; Southern Auto Auction, Warehouse Point, Conn., and Mid-States Auto Auction, South Bend.

June 20—Northway Exchange, Clifton Park, N.Y.; Northstar Auto Auction, Shakopee, Minn., and Evansville Auto Auction, Evansville, Ind.

June 21—Floyd Hauhe Auto Auction, Bridgeton, Mo.

June 25—Arena Auto Auction, Chicago; D-A Auto Auction, New Stanton, Pa., and High Point Auto Auction, High Point, N.C.

June 26—Columbus Fair Auto Auction, Obetz, O., and Central States Auto Auction, Mason City, Ia.

Chrysler Corp.

June 11—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich., and Florida Auto Auction of Orlando, Ocoee, Fla.

June 12—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Minneapolis Auto Auction, Plymouth, Minn., and Dallas Auto Auction, Grand Prairie, Tex.

June 13—Northway Exchange (mini), Clifton Park, N.Y.; Fredericksburg Auto Auction, Fredericksburg, Va., and Clanton's Auto Auction, Darlington, S.C.

June 14—Concord Auto Auction, Acton, Mass., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

June 18—Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and NuCar Prep System, Santa Fe Springs, Calif.

June 19—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, O., and South Seattle Auto Auction, Kent, Wash.

June 20—Atlanta Auto Auction, Red Oak, Ga.; Arena Auto Auction, Chicago, and Indianapolis Auto Auction, Indianapolis.

June 25—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Golden Gate Auto Auction, Fremont, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

June 26—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala.; Minneapolis Auto Auction, Plymouth, Minn., and Dallas Auto Auction, Grand Prairie, Tex.

June 27—Fredericksburg Auto Auction, Fredericksburg, Va., and Clanton's Auto Auction, Darlington, S.C.

Ford Motor Co.

June 11—South Seattle Auto Auction, Kent, Wash.

June 12—Columbus Fair Auto Auction, Obetz, O., and Concord Auto Auction, Acton, Mass.

June 13—Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

June 19—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

June 20—Aptco Auto Auction, Taylor, Mich.; 166 Auto Auction, Springfield, Mo., and Skyline Auto Exchange, Fairfield, N.J.

June 26—Northway Exchange, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

General Motors

June 11—Florida Auto Auction of Orlando, Orlando.

June 12—Northstar Auto Auction, Shakopee, Minn., and Brasher's Auto Auction, Fontana, Calif.

June 18—Southern Auto Auction, East Windsor, Conn., and South Seattle Auto Auction, Kent, Wash.

June 19—Clanton's Auto Auction, Darlington, S.C.

June 20—Indianapolis Auto Auction, Indianapolis.

June 26—Brasher's Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction, Kansas City.

June 27—Butler Auto Auction, Gibsonia, Pa., and Arena Auto Auction, Chicago.

used-car auction directory

OHIO

Ohio Auto Auction. The Tuesday sale. 3305 Jackson Pike, Columbus, Ohio. Call: 614-871-2771

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WASHINGTON

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Ford auction nets $4,908,100

Jim and Barbara Wheatley, owners of the Harrisonburg (Va.) Auto Auction, present the check for what is believed to be the largest dollar volume ever for a Ford Factory sale to Joe Harde, center, of Ford Motor Co. During the sale, 505 factory cars and trucks were sold for $4,908,100 to the 135 dealers in attendance.

Ford recalls 515,000 cars; safety group wants more

WASHINGTON.—Ford Motor Co. is recalling 515,000 1982-83 Escort and Lynx cars to fix rear seat belts that twist and bind, which prevents them from retracting properly.

The Center for Auto Safety criticized the extent of the recall, saying it should have included as many as 250,000 additional Escort and Lynx models manufactured during the 1984 model year.

A Ford spokesman said the company had modified the seat-belt design in 1984 models and that complaints involving 1984 vehicles were significantly fewer than on the 1982-83 Escort and Lynx.

The center countered Ford's explanation by citing a technical service bulletin issued to Ford dealers on 1983-84 Escort/Lynx models. The bulletin said that a new "seat-belt guide" had been developed "that allows the belt to retract without twisting," the center reported.

The center said that Ford "added a stronger rewind spring and relocated the opening in the retractor boot" on May 28, 1984, and "added a clip to its retractors to reduce the size of the belt opening in the guide" on June 5, 1984.

Those changes occurred late in the 1984 model year. The center said it has continued to receive complaints about rear-seat-belt binding on 1984 Escort and Lynx models and that NHTSA has recieved similar complaints.

Ford privately disclosed the recall decision in a letter to NHTSA dated May 15, 1985. NHTSA had petitioned Ford for a recall in April after a March letter from the safety center urged NHTSA to issue a recall request.

A Ford spokesman said the recall was to be made public after delivery to dealers of the necessary parts. Ford said past recall notices have led to vehicles being brought prematurely to dealerships for service.

In the past few years, safety groups and others have faulted auto makers and NHTSA for not issuing timely public recall notices once a recall decision has been made. Safety advocates have long argued that in order to avoid needless injuries, consumers must be made aware of product defects as rapidly as possible, whether or not an immediate fix is available.

Bill would limit tint of windows

RALEIGH, N.C.—A bill that would impose limits on the darkness of windows in automobiles has been introduced in the State Legislature by Senator James Johnson.

Johnson's bill would make it illegal for a person with a North Carolina driver's license to drive an automobile in the state with windows darker than were originally installed by the manufacturer. Automobiles with dark windows installed before Oct. 1, 1985, would be exempt from the bill.

Johnson said dark windows cause accidents because at night they make other cars seem farther away than they actually are. He also said they induce thieves to break into parked vehicles because thieves think the dark windows are hiding valuables.

Used Car Sales
Auction Averages

June to date	$5,337
Month ago	$5,263
Year ago	$5,403

Model Breakdown
Auction Averages

	JUNE 1985	MAY, 1985	APR. 1985
1985	$11,706	$11,515	$11,744
1984	$8,775	$8,553	$8,522
1983	$6,303	$6,474	$6,464
1982	$5,723	$5,381	$5,226
1981	$4,626	$4,399	$3,323
1980	$3,764	$3,266	$3,511
1979	$2,819	$2,706	$2,622
1978	$1,980	$2,039	$1,938
Overall Average	$5,337	$5,203	$4,928

Lakeland Auto Auction holds 6th marathon sale

LAKELAND, Fla.—Lakeland Auto Auction has completed its sixth marathon sale, Marathon VI, which consisted of a large and diversified consignment from Ford Motor Co.; Ford Motor Credit Co.; major fleet, lease and daily rental companies, and hundreds of new- and used-car dealers.

Sixty-six percent of the registered vehicles were sold. Ford Motor sold 100 percent of a 425-unit consignment.

Auctioneer travels

Sam Lafata, left, president of Aptco Auto Auction, Taylor, Mich., visited Japan and met with Tatsuo Takagi, president, Nissan Prince Osaka, Ltd. Takagi has 27 Nissan dealerships and one auto auction in Japan. Lafata gave Takagi a picture of Lee Iacocca and an American flag.

Domestics steady; imports set record for month

May auto sales highest since 1978

Continued from Page 6

percent this year compared with 1.54 percent in 1984, and Nissan captured the remaining 0.28 percent of the recent market.

Minus signs outnumbered pluses in the sales outcomes for the 16 domestic makes. Pontiac stole the limelight, reporting a record May total of 88,538, which represented an increase of 16.38 percent from 76,076 a year ago. Pontiac said its sales have been up 25 of the last 26 months

Other winners included Chrysler, up 19.70 percent; Dodge, up 3.65 percent; Ford, up 18.05 percent; Cadillac, up 2.89 percent, and Honda, up 22.08 percent.

The record import total included individual best-Mays for Audi, BMW, Jaguar, Mercedes-Benz, Saab and Toyota. Toyota was the runaway sales champ, up 15.44 percent to 69,846 units. Mercedes was up 22.72 percent, Jaguar was up 6.92 percent, Audi was up 5.64 percent, BMW was up 6.85 percent and Saab climbed 31.17 percent.

VW combined import and domestic sales of 24,152 were up 10.50 percent from 21,858 in May a year earlier and were best for any month since August, 1981, according to Volkswagen of America.

Imports took a back seat to domestic intermediates in the May market-class breakout. Intermediates earned 29.11 percent, imports had 24.52 percent, compacts accounted for 16.05 percent, subcompacts had 14.14 percent, standards had 8.87 percent and luxury models claimed the remaining 7.31 percent.

Excluding imports the market-class spectrum looked like this: Intermediates had 38.56 percent, compacts had 21.27 percent, subcompacts had 18.73 percent, standards had 11.76 percent and luxuries had 9.68 percent.

With 26 selling days in the month both this year and last, the 1985 daily selling rate for domestics of 31,061 was up 0.54 percent from 30,895 last year.

Late-May domestic sales were down 4.79 percent, to 322,049 from 338,236. The daily rate of 35,783 dropped 4.79 percent from 37,582. There were nine selling days in the period each year.

Ford Motor Co. and Honda were the only domestics to post third-period sales gains: Ford was up 8.01 percent and Honda climbed 38.58 percent. GM was off 8.96 percent, Chrysler was down 9.63 percent, VW skidded 21.76 percent and AMC plunged 33.45 percent.

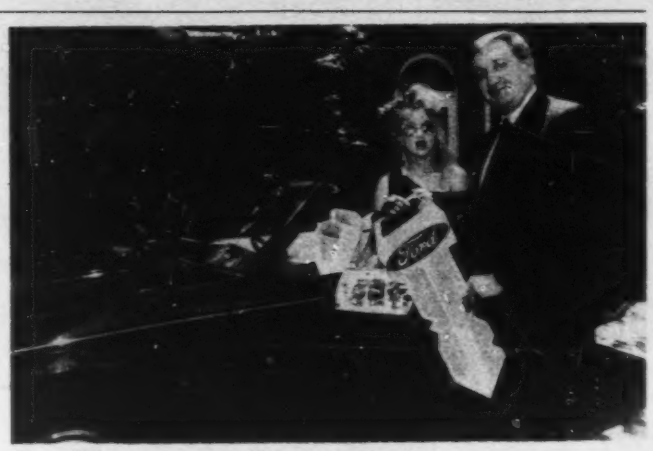
GM earned 58.04 percent of the May 21-31 market, Ford had 24.48 percent, Chrysler had 11.52 percent, Honda had 2.88 percent, VW had 1.35 percent, AMC had 1.28 percent and Nissan earned 0.45 percent.

Nissan to buy Yue Loong share

TAIPEI, Taiwan.—Taiwan's economic ministry has approved an application by Nissan Motor Co. to buy 25 percent of Yue Loong Motor Co. for $65 million through the purchase of Yue Loong stock.

Yue Loong, Taiwan's largest automobile manufacturer with an annual output of 60,000 units, has cooperated with Nissan for 25 years in the production of cars for sale in Taiwan.

According to Yue Loong, the Japanese auto maker's investment would enable the company to expand annual output at least 20 percent.



Cyndi Lauper gets Mustang ragtop

Pop star Cyndi Lauper, named best new artist in Rolling Stone magazine's 1985 Readers Poll, is awarded a 1985 Mustang convertible by Robert A. Lusko, Ford Division's New York district manager, at a luncheon at New York's Tavern on the Green Restaurant. Ford Division sponsored the Rolling Stone poll in which 7,500 readers named Lauper the year's best new singer.

IMPORTED CAR SALES

	May, 1985	May, 1984	5 Mos., 1985	5 Mos., 1984
Alfa Romeo	609	350	2,127	1,371
Audi	8,050	7,620	30,585	32,009
BMW	7,968	7,457	34,530	30,290
Chevrolet Spectrum	4,490	.....	18,399	.....
Chevrolet Sprint	1,445	732	6,712	732
Dodge Colt	1,841	1,872	11,827	13,106
Dodge Conquest	341	244	1,178	1,965
Dodge Vista	852	550	3,389	2,532
Honda	35,662	34,299	167,435	165,991
Isuzu	1,721	1,676	7,089	6,342
Jaguar	1,714	1,603	7,609	7,045
Maserati Biturbo	138	.....	1,493	.....
Mazda	15,792	16,154	70,175	67,807
Mercedes-Benz	8,491	6,919	36,423	34,600
Merkur	631	.....	1,986	.....
Mitsubishi	5,237	4,016	16,858	16,487
Nissan	51,251	52,374	197,820	197,847
Peugeot	1,789	1,743	6,261	8,040
Plymouth Colt	1,704	1,857	11,261	11,663
Plymouth Conquest	318	233	1,119	1,668
Plymouth Vista	790	528	3,339	2,360
Porsche	2,284	2,162	10,255	10,745
Renault	574	937	3,798	5,145
Saab	3,413	2,602	16,076	14,707
Subaru	14,441	14,305	63,945	64,243
Toyota	69,846	60,506	231,807	211,622
Volkswagen	16,064	12,582	55,829	50,684
Volvo	10,125	10,210	48,088	47,808
TOTAL	262,344	243,532	1,067,413	1,006,809

U.S. CAR SALES BY MARKETING UNITS

	May, 1985	May, 1984	5 Mos., 1985	5 Mos., 1984
Chevrolet	167,593	178,439	733,964	722,953
Ford	136,321	115,477	612,919	546,188
Oldsmobile	112,732	113,465	476,830	507,148
Pontiac	88,538	76,076	355,209	318,378
Buick	85,754	96,416	389,588	413,577
Toyota	69,846	60,506	231,807	211,622
Nissan	53,512	52,374	201,348	197,847
Honda	50,758	46,665	238,345	219,614
Mercury	46,821	48,014	229,907	221,693
Dodge	40,223	38,545	216,610	176,124
Chrysler	35,637	29,773	153,280	133,144
VWoA	32,202	31,584	120,275	130,740
Cadillac	30,872	30,006	124,296	136,305
Plymouth	27,967	31,847	175,976	144,899
Mazda	15,792	16,154	70,175	67,807
Subaru	14,441	14,305	63,945	64,243
Lincoln	12,036	14,515	66,957	62,109
AMC—Renault	10,637	16,068	57,162	84,701
Volvo	10,125	10,210	48,088	47,808
Mercedes-Benz	8,491	6,919	36,423	34,600
BMW	7,968	7,457	34,530	30,290
Mitsubishi	3,237	4,016	16,858	16,487
Saab	3,413	2,602	16,076	14,707
Porsche	2,284	.....	10,255	.....
Isuzu	1,721	1,676	7,089	6,342
Jaguar	1,714	1,603	7,609	7,045
Peugeot	1,789	1,743	6,261	8,040
Alfa Romeo	609	350	2,127	1,371
Maserati Biturbo	138	.....	1,493	.....
TOTAL	1,069,934	1,046,805	4,705,146	4,525,509

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest,Vista. VWoA includes Audi, and Porsche through Aug. 31, 1984. Porsche figures began Sept. 1, 1984. Nissan includes Sentras built in the U.S.

Mullane calls NADA plan a 'sellout'

Fleet-subsidy compromise attacked

Continued from Page 1

tion clause.

In a telephone interview with Automotive News, McCarthy termed the proposal a draft which has to be approved by NADA's Government Affairs Committee and the board.

However, he flatly stated that some sort of preemption would be in the compromise. The question was how great this would be. Dingell apparently wants a clause that would completely ban the issue at the state level and, in effect, abrogate existing state laws. NADA is trying to retain existing laws but would go along with banning future legislation.

However, whatever form the preemption clause takes, McCarthy said it "would have to be included since Dingell feels strongly about it."

Dingell, chairman of the House Energy and Commerce Committee, effectively blocked last year's bill, H.R. 5305, which included a ban on two-tier pricing.

The bill never reached the house floor and, according to sources, Dingell said it never would as it existed. His refusal to release the bill led to its dying in committee and to this compromise.

Mullane was enraged at the compromise proposal. "The morality of it shocks me," he said, adding that "they (NADA) are supposed to represent the dealers." He predicted that there would be a classic "shootout" on this proposal.

Walton agreed. He said his board believed that "any bill that doesn't address pricing is not a compromise."

He added the New Jersey dealer group members who heard the presentation by McCarthy and Jennings "got violent" on the pricing and preemption clause and termed it "grossly unfair."

Mullane and Walton said they do not feel that bootlegging and retention are issues now since all the manufacturers have indicated they would insitute methods to police that activity on the part of lease companies.

Since this issue of fleet subsidies was resurrected three years ago and the move was made to halt subsidies by federal legislation, pricing has been a core issue, and Mullane has been at the forefront of the battle.

He said the large fleets buy their cars $1,000 to $2,000 below dealer cost. Mullane told the NJADA board, "If we don't stop it, that price edge will continue to grow, taking an ever-larger share of the market and eroding the value of our franchises even further."

In his letter to NADA, Mullane said the fleet share of market has jumped from 8 percent in 1965 to 25 percent today. He said in certain cars lines, the fleets get 50 percent of the build.

He warned that if the NADA accepts this compromise and it is passed by Congress, "we will have two-tier pricing baked into law."

Mullane said the answer is federal legislation addressing two-tier pricing without the preemption clause or state legislation letting manufacturers fight on 50 fronts.

He also asserted that NADA has said this issue does not impact the consumer, but he said the FDA will prove that it does. The FDA has contracted with Mathtech, a division of Martin Marietta Data Systems, to study the impact of two-tier pricing on the consumer.

Mullane has often said that this pricing structure forces consumers to pay more for their cars since dealers don't get the same subsidies as fleets.

In an interview with Automotive News, Mullane angrily called the compromise "anti-dealer, anti-small business and anti-consumer."

He promised that if NADA accepted this proposal, it would have active opponents who would fight the bill tooth and nail if it is introduced—Ed Mullane and the FDA.

He added that those who drafted the compromise say Congress won't vote for it unless the preemption clause is in the bill.

"They have gutted the bill at the request of the manufacturer by eliminating the central plank and then they drive a spike in our collective hearts by this preemption clause to make sure the issue never rises again in state legislation," he said.

The New Jersey dealer group apparently is in Mullane's corner on this issue.

McCarthy, indirectly referring to the opponents, claimed it was "awfully easy to get headlines," and added that the real question is "how strongly do the dealers feel."

But the decision on this issue does not rest with the rank and file dealers; it rests with the NADA Government Affairs Committee and the NADA board of directors.

Ford and Fiat talk on details

Continued from Page 1

that Spain, with its low labor costs, will escape any worker reductions.

Shedding manpower in other countries takes on enormous political dimensions, however. Ford will be tempted to keep production wherever it is financially most advantageous to do so, and that means delicate negotiations with governments.

Even after formalizing the restructuring plan, Ford will face the long process of implementing it. While that is uncertain, progress in the Fiat talks must be slow.

Fiat, meanwhile, has its house in relative order following the restructuring of the early 1980s. It recently reported an all-around improvement in its finances, which included a threefold after-tax increase in profits in the passenger-car-making division, to $119 million.

Mazda to build only one platform at Flat Rock

Continued from Page 3

60 percent of Flat Rock output.

He said Mazda will build a specialty car for Ford, slightly smaller than Mustang, to supplement, rather than replace the rear-wheel-drive Mustang.

Uchida said negotiations are continuing with Ford, which owns 25 percent of the Japanese company.

"Our plan is to get an agreement by, say, October or November of this year," he said.

Uchida declined to say specifically what vehicle Mazda will produce at Flat Rock.

"I can't say yet what kind of vehicle we are going to market with," he said. "I can say only that a 626-class vehicle will be produced there."

The vehicle will share some components with the Ford car and will be made on the same assembly line. Uchida repeated Mazda's contention that it is aiming at 50 percent U.S. content in the vehicles.

Month's build of 779,942 was highest this year

May car output best since 1979

By Louise Kertesz
Detroit Reporter

Domestic auto production of 779,942 units in May was the highest for that month since 1979, when 935,198 cars were assembled.

Last month's total—the best output of any month this year—was up 3.01 percent from April's 757,116 and was 9.39 percent better than the year-ago month's 712,979.

Manufacturers planned to build 173,325 cars last week, 21.83 percent more than the 142,273 produced during the previous week (shortened by Memorial Day) and 5.47 percent more than the year-ago week's 164,341.

So far this year, 3,896,395 cars have been assembled, 2.91 percent more than the 3,786,104 built last year at this point.

Companies shared last week's estimated production as follows: General Motors, 56.51 percent; Ford Motor Co., 19.46 percent; Chrysler Corp., 17.71 percent; American Motors, 2.11 percent; Honda of America Mfg. Co., 1.82 percent; Volkswagen of America, 1.08 percent; Nissan Motor Mfg. Co., U.S.A., 0.70 percent, and New United Motor Mfg. Co., 0.61 percent.

Nissan added a second shift at its Smyrna (Tenn.) plant on June 3.

Ford's Dearborn plant is still not being supplied with acceptable parts for the Capri. Production was again halted during the week ended June 1, and it is unlikely that the 452 units scheduled last week were built.

General Motors scheduled two overtime shifts Saturday (June 8) at the following plants: Detroit; Arlington, Tex.; Fairfax, Kans.; Lakewood, Ga.; Wilmington, Del.; Janesville, Wis.; Lordstown, O., and Pontiac G.

Chrysler planned two overtime shifts Saturday at its Jefferson (Detroit) and St. Louis plants (Nos. 1 and 2).

The Jefferson plant is slated to work two 8½-hour daily shifts this week (June 10).

Chrysler's plants in Belvidere, Ill., and St. Louis are scheduled to operate two nine-hour daily shifts this week.

All Ford plants but Chicago are scheduled to work daily overtime this week.

Second shift begins work at Nissan Tennessee plant

SMYRNA, Tenn.—A second production shift began last Monday (June 3) at Nissan Motor Mfg. Corp. U.S.A., bringing employment at the Tennessee facility to 3,000.

The company announced plans a year ago to start two-shift operation in June, 1985, and to move to full production capacity of 240,000 cars and trucks annually by the spring of 1987. Light truck production began at Nissan in June, 1983. Production of the Sentra was added in March, 1985.

Marvin T. Runyon, Nissan Motor Mfg. president, said that more than 50,000 applications were received for the 700 night-shift jobs.

The majority of night-shift employes have been working at Nissan since February, receiving extensive training during the day-shift operation. The training included classroom instruction, training on off-line vehicles and actual experience on the assembly line.

"Since the first of May, the shifts have been gradually separated to give night-shift employes experience working on their own for longer periods of time," Runyon said.

Plans call for night-shift employes to work from 9:45 p.m. to 6:30 a.m.

"The hours are unusual for the automotive industry," said Jerry Benefield, manufacturing vice president, "but our people told us they'd prefer to start work at 9:45 because it allows them to have dinner with their families before coming to work and to be back home early in the morning."

CANADIAN CAR PRODUCTION

	Week Ended June 8, 1985	Week Ended June 9, 1984	Week Ended June 1, 1985	May Total	Jan. 1 to June 9, 1984	Jan. 1 to June 8, 1985
AMERICAN MOTORS	400	610	406	1,020	11,031	5,082
FORD MOTOR	11,384	10,585	11,251	48,645	202,694	228,983
GENERAL MOTORS	14,599	13,554	13,796	56,553	299,650	233,825
VOLVO	225	225	225	989	5,000	4,943
Total Cars, Canada	26,608	25,074	25,678	107,207	518,375	472,833

U.S. TRUCK PRODUCTION*

	Week Ended June 8, 1985	Week Ended June 9, 1984	Week Ended June 1, 1985	May Total	Jan. 1 to June 9, 1984	Jan. 1 to June 8, 1985
CHEVROLET	27,418	20,090	21,022	114,085	447,373	533,920
DODGE	5,400	4,368	3,598	20,458	94,135	96,261
FORD	26,527	26,163	23,270	115,513	550,729	554,250
GMC	8,718	7,239	6,617	37,189	145,946	164,159
INTERNATIONAL	1,650	1,769	1,325	7,492	34,204	36,743
JEEP	4,350	3,934	2,862	13,784	85,668	90,119
NISSAN	2,421	2,103	1,429	6,499	42,631	45,571
AM GENERAL	50	50	40	220	1,180	1,110
MISCELLANEOUS	1,739	1,000	1,392	7,652	23,400	40,803
Total Trucks, U.S.	78,273	66,716	61,555	322,892	1,425,266	1,562,936

CANADIAN TRUCK PRODUCTION

	Week Ended June 8, 1985	Week Ended June 9, 1984	Week Ended June 1, 1985	May Total	Jan. 1 to June 9, 1984	Jan. 1 to June 8, 1985
CHRYSLER	8,760	8,175	7,171	36,866	164,028	189,489
FORD	3,648	3,344	3,650	15,964	74,336	79,566
GENERAL MOTORS	6,247	6,325	6,301	25,911	139,311	132,395
INTERNATIONAL	260	171	271	1,175	3,309	5,520
Total Trucks, Canada	18,915	18,015	17,393	79,916	380,984	406,970
N. American Trucks	97,188	84,731	78,948	402,808	1,806,250	1,969,906

*—Now includes window van production. **—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Merceces-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Truck makers post best month in six years

May domestic truck production of 322,892 units was the highest monthly output in six years.

May's build was 7.60 better better than April's 300,092, 10.93 percent more than the year-ago month's 291,068 and the best output of any month since May, 1979, when 338,961 trucks were assembled.

Scheduled production of 78,273 trucks last week was again higher than for any week since the week ended May 19, 1979, when 81,851 units were built.

Contributing to the increased output was the second shift added at Nissan Motor Mfg. Co. U.S.A.'s Smyrna (Tenn.) plant on June 3.

Last week's targeted build was 27.16 percent more than the previous week's 61,555 (a holiday week) and 17.32 percent better than the year-ago week's 66,716.

So far this year, 1,562,936 trucks have been assembled, 9.66 percent more than the 1,425,266 completed last year at this time.

General Motors scheduled two overtime shifts Saturday (June 8) at the following plants: Janesville, Wis.; Lordstown, O.; Flint (Nos. 1 and 2); Baltimore, and Pontiac.

Chrysler Corp.'s Warren plant was scheduled to operate two overtime shifts Saturday.

Two nine-hour daily shifts are also scheduled for the Warren plant this week (June 10).

All Ford Motor Co. plants but St. Louis are scheduled to work daily overtime this week.

Overtime is scheduled Saturday (June 15) at Ford's Norfolk plant.

May production a record for Canadian trucks

Canadian truck makers' May production of 79,916 units was the highest output of any month ever. It topped the former record of 79,441 built in March, 1984.

The May total exceeded April's 77,589 by 3 percent.

Truck manufacturers scheduled assembly of 18,915 units last week, 8.75 percent more than the previous week's 17,393 and 5.00 percent better than the year-ago week's 18,015.

Year-to-date, 406,970 trucks have been built, 6.82 percent more than the 380,984 assembled last year at this point.

Scheduling 26,608 units last week, Canadian auto makers again targeted the highest weekly production in two years.

Last week's estimated output was 3.62 percent more than the previous week's 25,678 which was the best actual weekly build since the week ended May 14, 1983, when 27,994 cars were built.

So far this year, 472,833 cars have been built, 8.79 percent fewer than the 518,375 assembled last year at this point.

Total car production for May—107,207 units—was up 12.18 percent from April's 95,563.

Last month's was the highest monthly output this year and was right up with the year-ago month's 107,995 (a 0.73 percent dip). The 1984 total was the highest for May since 1977, when 117,134 cars were built.

U.S. CAR PRODUCTION

	Week Ended June 8, 1985	Week Ended June 9, 1984	Week Ended June 1, 1985	May Total	Jan. 1 to June 9, 1984	Jan. 1 to June 8, 1985
AMERICAN MOTORS	3,650	4,875	3,012	12,734	92,218	50,703
Renault Total	3,650	4,875	3,012	12,734	92,218	50,703
Alliance	2,450	2,533	1,899	8,105	49,279	31,213
Encore	1,200	2,342	1,113	4,629	42,939	19,490
CHRYSLER CORP.	30,700	29,070	23,308	134,508	606,351	629,545
Plymouth Total	8,400	8,453	6,615	39,179	178,560	183,298
Horizon	3,200	3,924	2,590	15,700	73,095	66,586
Reliant	3,500	3,887	2,765	16,599	91,896	82,162
Caravelle	1,200	216	857	4,903	4,383	25,605
Gran Fury	500	426	403	1,977	9,186	8,945
Chrysler Total	10,500	9,848	7,896	44,038	203,541	207,844
LeBaron	2,200	3,129	1,651	8,939	61,338	49,840
LeBaron GTS	2,600	0	2,176	11,475	0	44,987
Laser	1,400	1,739	973	6,258	37,091	25,491
New Yorker/E-Class	1,700	2,334	1,199	6,811	51,700	33,933
Fifth Avenue	2,600	2,646	1,897	10,555	53,412	53,593
Dodge Total	11,800	10,769	8,797	51,291	224,250	238,403
Omni	2,900	3,341	2,386	13,828	69,050	67,065
Aries	3,400	2,846	2,501	14,476	71,591	66,740
Daytona	1,400	1,374	926	5,953	27,748	22,947
Dodge 600	1,600	1,943	1,101	6,503	39,093	33,244
Lancer	1,600	0	1,355	7,622	0	32,615
Diplomat	900	1,265	528	2,909	16,768	15,792
FORD MOTOR	33,722	38,431	28,171	154,682	813,986	797,059
Ford Division	21,852	24,374	19,317	106,737	532,112	531,368
Escort	7,499	7,310	6,188	34,152	165,215	146,856
Mustang	3,961	3,198	3,450	19,239	61,787	83,703
LTD	3,398	4,143	3,346	19,896	103,030	109,460
Thunderbird	2,860	4,323	3,145	15,880	74,931	93,555
Crown Victoria	0	1,276	0	0	35,706	7,122
EXP	0	590	0	0	14,49[illegible]	3,838
Tempo	4,134	3,534	3,188	17,570	76,9[illegible]1	86,834
L-M Division	11,870	14,057	8,854	47,945	281,874	265,691
Mercury Total	8,282	9,917	6,387	35,171	203,096	191,033
Lynx	1,597	1,142	1,160	6,556	31,694	33,499
Capri	452	296	47	434	8,676	7,518
Marquis	1,932	3,064	1,728	10,410	52,073	54,514
Cougar	3,285	2,342	2,526	12,740	46,633	64,148
Grand Marquis	0	2,307	0	0	44,125	4,733
Topaz	1,016	766	926	5,031	19,895	26,621
Lincoln Total	3,588	4,140	2,467	12,774	78,778	74,658
Continental	494	1,085	343	1,971	17,032	13,035
Lincoln	2,692	2,590	1,850	9,382	46,069	53,367
Mark VI/VII	402	465	274	1,421	15,677	8,256
GENERAL MOTORS	97,953	86,710	83,136	447,800	2,162,594	2,287,687
Buick Total	20,081	20,977	17,906	96,008	467,928	460,092
Skylark	0	2,125	0	760	45,163	40,953
Skyhawk	2,385	3,124	2,039	11,560	74,081	50,513
Somerset Regal	1,753	0	2,648	11,879	0	57,718
Century	5,983	4,480	5,385	30,238	103,265	117,444
Regal	3,214	4,696	2,385	13,167	102,961	54,835
LeSabre/Electra(rwd)	3,085	4,270	2,668	12,954	101,311	64,681
Riviera	1,550	801	1,152	6,391	24,311	30,358
Electra(fwd)	2,111	1,481	1,629	9,059	16,836	43,590
Cadillac Total	7,754	6,139	5,861	30,717	153,429	170,009
Cimarron	639	277	521	2,551	8,465	13,269
Seville	685	695	514	2,854	19,292	18,297
Eldorado	1,345	1,555	1,013	5,604	36,187	34,223
Cadillac (rwd)	1,182	1,905	1,105	5,323	72,185	25,958
DeVille (fwd)	3,903	1,707	2,708	14,385	17,300	78,262
Chevrolet Total	30,804	28,720	26,927	145,146	739,830	785,350
Chevette	2,967	1,219	3,197	13,583	96,237	73,430
Cavalier	11,064	9,293	8,362	45,224	189,160	226,133
Celebrity	5,657	6,177	4,112	23,826	137,751	130,815
Camaro	3,976	5,205	4,146	22,268	121,542	106,421
Citation	0	2,269	0	555	50,708	28,697
Malibu/El Camino	0	682	0	0	16,383	0
Monte Carlo	2,060	870	2,080	12,039	58,340	70,013
Chevrolet	4,080	2,383	4,226	23,492	54,641	129,788
Corvette	1,000	622	804	4,159	15,068	20,053
Oldsmobile Total	24,265	21,106	20,306	109,102	543,470	570,752
Omega	0	929	0	0	23,977	0
Firenza	1,110	1,364	939	4,910	36,455	32,159
Cutlass Supreme	6,131	3,397	4,196	24,414	143,322	103,748
Cutlass Ciera	6,836	5,587	5,413	30,933	128,981	170,127
88/96 (rwd)	5,082	7,023	3,748	18,527	171,155	107,842
Olds 98 (fwd)	2,198	1,822	2,235	12,464	18,139	64,749
Calais	2,243	0	3,268	15,046	0	73,049
Toronado	665	984	507	2,808	21,441	19,078
Pontiac Total	15,049	9,768	12,136	66,827	257,937	301,484
Acadian**	0	85	221	985	8,554	6,362
2000 Sunbird	3,354	3,460	1,990	12,937	68,879	62,791
1000	769	476	630	3,004	19,377	13,874
Firebird	2,630	2,460	2,154	11,585	51,724	56,363
Phoenix	0	857	0	0	10,711	0
6000	1,505	0	1,237	6,772	0	20,191
Grand Prix/Bon Vie	0	0	0	0	29,733	0
Parisienne	1,980	539	1,154	6,846	13,268	32,104
Fiero	2,640	1,691	1,950	10,656	55,691	51,783
Grand Am	2,171	0	2,800	14,042	0	58,016
HONDA	3,150	2,874	2,453	13,857	57,737	72,746
NISSAN	1,220	0	51	3,143	0	6,069
NUMMI (Nova)*	1,050	0	840	3,917	0	7,750
VOLKSWAGEN	1,880	2,381	1,302	9,301	53,218	44,836
Total Cars, U.S.	173,325	164,341	142,273	779,942	3,786,104	3,896,395
Total Cars, Canada	26,608	25,074	25,678	107,207	518,375	472,833
N. American Cars	199,933	189,415	167,951	887,149	4,304,479	4,369,228
N. American Trucks	97,188	84,731	78,948	402,808	1,806,250	1,969,906
North American Cars and Trucks	297,121	274,146	246,899	1,289,957	6,110,729	6,339,134

*—Revised estimate.
**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Chevy donates Camaro

WEST HARTFORD, Conn.—Chevrolet has donated a new but damaged 1984 Camaro to the American School for the Deaf to give students the opportunity for hands-on training in automobile body repair.

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Automotive News

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Hidden Image

Replacement for famed London vehicle

The London Taxi is due to be replaced next year. The chassis of the new CR 6 prototype comes from Rover, but the car is higher and wider than the Range Rover and will have rear drive instead of four-wheel drive. The taxi will be equipped with a diesel engine supplied by Rover, but the car itself will be made by Carbodies in Coventry, England, which built the old London Taxi. A firm in Mt. Clemens, Mich., is building the old taxi, but has no immediate plans to build the new model.

Boom may turn to doom, auto researchers warn

By Kathleen Hamilton
Assistant Managing Editor

The U.S. auto industry is facing a shakeup within the next four years in which suppliers to the Big Three could easily lose half their business, auto-related employment will fall, old-line auto and supplier firms will be forced to cut wages and profits of the auto makers could be damaged so severely by imports' sales gains that future products could be jeopardized.

Those grim warnings come from researchers at the Industrial Technology Institute, a nonprofit think tank in the Detroit suburb of Ann Arbor. In a new report, they urge suppliers to aggressively pursue business from the Japanese car makers that are setting up shop in the U.S.

They hold out little hope for any governmental solution to the domestic industry's market losses to the Japanese.

Their warnings sound incongruous amid the current profit reports from U.S. auto makers and supplier companies which, as researchers Michael S. Flynn and Daniel Luria pointed out, have made greater productivity strides than the OEMs.

But there is plenty of evidence that ITI's grim forecast may be right. For one thing, its sales forecasts closely resemble those recently projected by the U.S. Department of Commerce Office of Auto Industry Affairs (Automotive News, May 27). The figures were arrived at independently.

• The ITI researchers differ with the government, however, on one significant point: Japanese makers will become dangerous competitors in the midsize-car segment, taking profitable sales away from domestic makers, Flynn and Luria predicted. The Commerce Department report suggested the Japanese would remain strong only in the small-car segment.

Flynn and Luria took their calculations several steps beyond the Commerce Department report to show the likelihood of devastating losses for supplier firms.

Suppliers will be hit by the Big Three's market-share losses. But suppliers also will suffer losses of perhaps 10 percent of their sales to foreign sourcing of components, they said.

Furthermore, the Japanese supplier companies now moving to the U.S. are likely to challenge traditional U.S. suppliers for their Big Four and aftermarket business, Flynn and Luria predicted. They have the capacity to supply more than Honda, Nissan or Mazda, they said.

Those new suppliers will frequently win bidding wars because they will have efficient plants, workers with low seniority and therefore low wages, no pensioners to pay and, most likely, more favorable union contracts, they said. They also will enjoy tax incentives from local governments.

Flynn pointed to the group of suppliers that five years ago looked at where the market was headed. "There were suppliers who responded more quickly to downsizing five years ago . . ."

". . .And, boy, are they going to pay" for what appeared to be a wise response, said Luria. Their segment—small cars—will be hit

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Shop upturn is greatest in 14 months

By Jack Walsh
Service Editor

The rate of growth in franchised dealers' service and parts operations in April was the highest in 14 months, with impressive increases in volume in all shop areas.

During the month, according to the Automotive News Service Index, service/parts business was 18.6 percent greater than volume in April, 1984. Four-month results were 9.9 percent higher than the year-earlier figures.

The leading indicator in April was total customer-paid and warranty sales, which showed a gain of 23.5 percent over last year. The number of repair orders written during the month, both customer-paid and warranty, was 21.4 percent higher than a year ago.

There was an increase of 20.6 percent over last year in sales of shop parts, those used in customer-paid and warranty repairs. Gross profit on all labor, parts and accessory sales—the most important indicator to dealers—was up 18.2 percent in April over the

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Drops fight against 2-tier pricing; preemption accepted

NADA board OK's subsidy guides

By John A. Russell
New York Staff Writer

NEW YORK.—NADA last week effectively abandoned the fight against two-tier pricing in its quest for passage of federal legislation on fleet subsidies.

The dealer association's board of directors authorized a "platform for negotiations" with U.S. lawmakers eliminating that key issue.

By a vote of 49 to 3, the NADA board approved the guidelines under which its Government Relations Committee will negotiate with congressional leaders. NADA also will accept the key "preemption clause" that prohibits states from enacting laws on fleet subsidies. (Automotive News, June 10.)

When news of the vote reached other dealer leaders in this fight, the reaction was swift and harsh against the board's action. Some termed the vote a "sellout" while others called any move to eliminate the pricing issue a "smokescreen." One dealer association threatened to resign from the national body.

The resolution did not mention two-tier pricing—which enables large fleet buyers to obtain cars at lower costs than dealers. Asked whether the dealer association had abandoned this point as a goal in federal legislation, Frank McCarthy, NADA executive vice president, said, "Yes."

While the platform for negotiations does address many dealer problems concerning fleet subsidies, two-tier pricing has been

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breaking news

Bush to address NADA convention

WASHINGTON.—Vice President George Bush has accepted NADA's invitation to address the concluding session of its 69th annual convention and exposition Feb. 4, 1986, in New Orleans.

Giocondi elected a Chrysler vice president

DETROIT.—Gino J. Giocondi has been elected vice president of Parts and Service Operations for Chrysler Corp. He reports to Bennett E. Bidwell, executive vice president. Giocondi, 44, has been general manager of the Service and Parts Operation since 1981 and before that was director of Service Operations. He joined Chrysler Corp. in 1963 and has served in a variety of sales and marketing posts.

Excalibur introduces Series V

MILWAUKEE.—Excalibur has introduced a Series V Phaeton and will bring out the Roadster version within the next two weeks. The new cars are virtually unchanged in styling, but torsion-bar suspension and automatically leveling shock absorbers replace the previous leaf-spring suspension. The Phaeton is priced at $59,800; Roadster, at $62,800.

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50-day inventory as June opens

U.S. car supply lowest in a year

By Kathleen Hamilton
Assistant Managing Editor

The stockpile of new domestic cars is continuing on its six-month slide, roughing up the model mix along the way. The June 1 inventory of cars stood at 1,546,188, an ideal 50-day supply.

The days-supply level has been slipping for six months and on June 1 reached its lowest level since June 1, 1984, when it was 47. Last month, it was 52.

The latest unit count was a five-month low. On May 1, there were 1,615,026 cars in inventory. On June 1, 1984, the stockpile stood at 1,467,214.

Month-to-month changes appeared eratic, but were almost universally the result of auto makers' low-interest-rate incentives. The incentive programs were carefully targeted during May, and they obviously worked well. There were very few lines overstocked on June 1.

The subcompact segment's inventories were trimmed by healthy sales gains, led by Escort-Lynx sales rates nearly double those of a month earlier. The one-two punch of incentives and new models helped there.

Chrysler Corp.'s subcompacts were cannibalized both by the Fords and by the fact that Chrysler dropped incentives on its subcompacts last month. But because of those sales losses, the Chrysler small cars stood at a healthy level on June 1. One month earlier, they were in short supply.

American Motors' subcompacts climbed to an uncomfortable 111 days' worth, but that was solely because of production gains; sales rates for Alliance and Encore actually rose, just not as much as output.

Increased sales of subcompacts may be the reason sales declined considerably in the compact segment. Or perhaps the sales drop and resulting days-supply increase was due more to General Motors dropping incentives on some of its J-cars and Pontiac Fiero and Ford Motor Co. lifting its incentives on Tempo and Topaz.

The two J-cars that were covered by incentives—Chevrolet Cavalier and Pontiac Sunbird—were in short supply. They were the only compacts covered by any programs last month.

The month-to-month change in the days-supply level for intermediates was due not to sales—which stayed steady—but to a slight production decline. Chrysler reaped giant improvements in sales and

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